



**U.S. Department of Justice**

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FOR IMMEDIATE RELEASE**

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**DEBORAH KOLODNER SENTENCED ON MAIL FRAUD CONVICTION**

**Baltimore, Maryland** - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that Deborah Kolodner, age 49, of Baltimore, Maryland, was sentenced today by Chief United States Judge Benson E. Legg, to one year and one day in prison, to be followed by three years of supervised release, for engaging in a mail fraud scheme involving the acquisition of real estate in the names of straw buyers. In addition to serving a year and one day in prison, the defendant will be required to pay \$119,000 in restitution to the victims of her fraud schemes.

According to a statement of facts provided to the Court at the time of her guilty plea, Deborah Kolodner admitted that she was prohibited by an earlier court order from engaging in investments, lending or real estate activity. The defendant was further prohibited by court order from engaging in any type of employment in which she had a financial responsibility for other people's money. These prohibitions were part of the terms of her supervised release after serving time in prison on earlier fraud convictions.

From November, 1999 through March, 2002, while she was on supervised release, the

defendant purchased real estate in Baltimore and Towson, and in Myrtle Beach, South Carolina, in the names of “straw buyers.” She used the straw buyers to obtain mortgage loans on the properties and “flipped” properties to third parties. One of the individuals to whom the defendant flipped property was William Behrendt. Behrendt purchased three pieces of property at inflated prices from the defendant’s mother and her co-schemer, Karl Johnson. The defendant made false promises to Mr. Behrendt and others that she would pay the principal and interest on the mortgages, and promised that the buyers would not have to pay any money down at settlement. She told Behrendt that she would manage the properties which he purchased as “rentals” and that she would make the mortgage payments from the rental income.

In addition, the defendant submitted false documents to the mortgage lenders, fraudulently representing to them that the straw buyers had made a substantial down payment on the properties. In truth, no down payment was made by the borrowers. This created the false impression to the lenders that the buyers had a real financial stake in the transaction. The defendant also created false documents which were submitted to the mortgage lenders to make it appear as if the buyer had actually paid for closing costs and earnest money. The mortgage applications containing the false documents were sent by interstate commercial carrier to various mortgage lenders nationwide.

The defendant submitted false documentation and made false statements to mortgage lenders to purchase three particular pieces of property in the names of “straw buyers” for her own use; identified in Counts One through Three of the Superseding Indictment, the counts of conviction. These properties were located at 507 South Chapelgate Lane, in Baltimore, Maryland, 21229 (a \$105,000 loan in the names of Karl and Erika Johnson); Unit 2703, 28

Allegheny Ave., Towson, Maryland (a \$129,000 loan in the name of Addie Johnson); and 1451 Brookgreen Dr., Myrtle Beach, South Carolina (a \$306,000 loan in the name of Addie Johnson). In each case, the defendant disguised her true interest in the transaction by using a straw buyer and by making false statements about the buyer's income and qualifications to obtain a mortgage loan.

This case was the result of an investigation by the United States Postal Inspection Service and the Office of the Inspector General, Housing and Urban Development. The case was prosecuted by Assistant United States Attorneys Steven Levin and Virginia B. Evans.